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8 **UNITED STATES DISTRICT COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**

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11 U.S. SECURITIES AND EXCHANGE  
12 COMMISSION,

13 Plaintiff,

14 vs.

15 NICOLAS ARKELLS,

16 Defendant.  
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Case Nos. 2:22-cv-05991-CAS-PDx

**FINAL JUDGMENT AS TO  
NICOLAS ARKELLS**

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19 THIS MATTER is before the Court on Plaintiff Securities and Exchange  
20 Commission's Motion for Monetary Remedies and Final Judgment.

21 The Court, having considered all the evidence and arguments by the parties and all  
22 matters of record, and being otherwise fully advised, **HEREBY GRANTS** the  
23 Commission's Motion and enters Final Judgment as follows:

24 I.

25 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is  
26 permanently restrained and enjoined from violating, directly or indirectly, Section 10(b)  
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1 of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and  
2 Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or  
3 instrumentality of interstate commerce, or of the mails, or of any facility of any national  
4 securities exchange, in connection with the purchase or sale of any security:

- 5 (a) to employ any device, scheme, or artifice to defraud;
- 6 (b) to make any untrue statement of a material fact or to omit to state a material  
7 fact necessary in order to make the statements made, in the light of the  
8 circumstances under which they were made, not misleading; or
- 9 (c) to engage in any act, practice, or course of business which operates or would  
10 operate as a fraud or deceit upon any person.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in  
12 Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the  
13 following who receive actual notice of this Final Judgment by personal service or  
14 otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and (b)  
15 other persons in active concert or participation with Defendant or with anyone described  
16 in (a).

17 II.

18 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
19 Defendant is permanently restrained and enjoined from violating Section 17(a) of the  
20 Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of  
21 any security by the use of any means or instruments of transportation or communication  
22 in interstate commerce or by use of the mails, directly or indirectly:

- 23 (a) to employ any device, scheme, or artifice to defraud;
- 24 (b) to obtain money or property by means of any untrue statement of a material  
25 fact or any omission of a material fact necessary in order to make the  
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1 statements made, in light of the circumstances under which they were made,  
2 not misleading; or

- 3 (c) to engage in any transaction, practice, or course of business which operates  
4 or would operate as a fraud or deceit upon the purchaser.

5 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in  
6 Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the  
7 following who receive actual notice of this Final Judgment by personal service or  
8 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b)  
9 other persons in active concert or participation with Defendant or with anyone described  
10 in (a).

11 III.

12 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
13 Defendant is permanently restrained and enjoined from violating Section 5 of the  
14 Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any  
15 applicable exemption:

- 16 (a) Unless a registration statement is in effect as to a security, making use of any  
17 means or instruments of transportation or communication in interstate  
18 commerce or of the mails to sell such security through the use or medium of  
19 any prospectus or otherwise;
- 20 (b) Unless a registration statement is in effect as to a security, carrying or  
21 causing to be carried through the mails or in interstate commerce, by any  
22 means or instruments of transportation, any such security for the purpose of  
23 sale or for delivery after sale; or
- 24 (c) Making use of any means or instruments of transportation or communication  
25 in interstate commerce or of the mails to offer to sell or offer to buy through  
26 the use or medium of any prospectus or otherwise any security, unless a

1 registration statement has been filed with the Commission as to such  
2 security, or while the registration statement is the subject of a refusal order  
3 or stop order or (prior to the effective date of the registration statement) any  
4 public proceeding or examination under Section 8 of the Securities Act [15  
5 U.S.C. § 77h].

6 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in  
7 Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the  
8 following who receive actual notice of this Final Judgment by personal service or  
9 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b)  
10 other persons in active concert or participation with Defendant or with anyone described  
11 in (a).

12 IV.

13 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
14 Defendant is permanently restrained and enjoined from violating Section 15(a) of the  
15 Exchange Act [15 U.S.C. § 78o(a)] by, while engaging in business as a broker or dealer,  
16 making use of the mails or any instrumentality of interstate commerce to effect any  
17 transaction in, or to induce the purchase or sale of, any security (other than an exempted  
18 security or commercial paper, bankers' acceptances, or commercial bills) unless  
19 registered as a broker dealer in accordance with Section 15(b) of the Exchange Act [15  
20 U.S.C. § 78o(b)] or associated with a broker or dealer that is registered with the  
21 Commission in accordance with Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)].

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in  
23 Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the  
24 following who receive actual notice of this Final Judgment by personal service or  
25 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b)

1 other persons in active concert or participation with Defendant or with anyone described  
2 in (a).

3 V.

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that pursuant to  
5 Sections 21(d)(1) and 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(1) and (5)], and  
6 Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], Defendant is permanently  
7 restrained and enjoined from directly or indirectly, including, but not limited to, through  
8 any entity owned or controlled by Defendant, soliciting any person or entity to purchase  
9 or sell any security; provided, however, that such injunction shall not prevent him from  
10 purchasing or selling securities for his own personal account.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in  
12 Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the  
13 following who receive actual notice of this Final Judgment by personal service or  
14 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b)  
15 other persons in active concert or participation with Defendant or with anyone described  
16 in (a).

17 VI.

18 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
19 Defendant is liable for disgorgement of \$66,205, representing net profits gained as a  
20 result of the conduct alleged in the Complaint, together with prejudgment interest thereon  
21 in the amount of \$19,838.65. Defendant shall satisfy this obligation by paying  
22 \$86,043.65 to the Securities and Exchange Commission within 30 days after entry of this  
23 Final Judgment.

24 Defendant may transmit payment electronically to the Commission, which will  
25 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be  
26 made directly from a bank account via Pay.gov through the SEC website at

1 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check,  
2 bank cashier's check, or United States postal money order payable to the Securities and  
3 Exchange Commission, which shall be delivered or mailed to

4 Enterprise Services Center

5 Accounts Receivable Branch

6 6500 South MacArthur Boulevard

7 Oklahoma City, OK 73169

8 and shall be accompanied by a letter identifying the case title, civil action number, and  
9 name of this Court; Nicolas Arkells as a defendant in this action; and specifying that  
10 payment is made pursuant to this Final Judgment.

11 Defendant shall simultaneously transmit photocopies of evidence of payment and  
12 case identifying information to the Commission's counsel in this action. By making this  
13 payment, Defendant relinquishes all legal and equitable right, title, and interest in such  
14 funds and no part of the funds shall be returned to Defendant.

15 The Commission may enforce the Court's judgment for disgorgement and  
16 prejudgment interest by using all collection procedures authorized by law, including, but  
17 not limited to, moving for civil contempt at any time after 30 days following entry of this  
18 Final Judgment.

19 The Commission may enforce the Court's judgment for penalties by the use of all  
20 collection procedures authorized by law, including the Federal Debt Collection  
21 Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the violation  
22 of any Court orders issued in this action. Defendant shall pay post judgment interest on  
23 any amounts due after 30 days of the entry of this Final Judgment pursuant to 28 U.S.C. §  
24 1961. The Commission shall hold the funds, together with any interest and income earned  
25 thereon (collectively, the "Fund"), pending further order of the Court.

1 The Commission may propose a plan to distribute the Fund subject to the Court's  
2 approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair  
3 Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall  
4 retain jurisdiction over the administration of any distribution of the Fund and the Fund  
5 may only be disbursed pursuant to an Order of the Court.

6 Regardless of whether any such Fair Fund distribution is made, amounts ordered to  
7 be paid as civil penalties pursuant to this Final Judgment shall be treated as penalties paid  
8 to the government for all purposes, including all tax purposes. To preserve the deterrent  
9 effect of the civil penalty, Defendant shall not, after offset or reduction of any award of  
10 compensatory damages in any Related Investor Action based on Defendant's payment of  
11 disgorgement in this action, argue that he is entitled to, nor shall he further benefit by,  
12 offset or reduction of such compensatory damages award by the amount of any part of  
13 Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in  
14 any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days  
15 after entry of a final order granting the Penalty Offset, notify the Commission's counsel  
16 in this action and pay the amount of the Penalty Offset to the United States Treasury or to  
17 a Fair Fund, as the Commission directs. Such a payment shall not be deemed an  
18 additional civil penalty and shall not be deemed to change the amount of the civil penalty  
19 imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action"  
20 means a private damages action brought against Defendant by or on behalf of one or  
21 more investors based on substantially the same facts as alleged in the Complaint in this  
22 action.

23 VII.

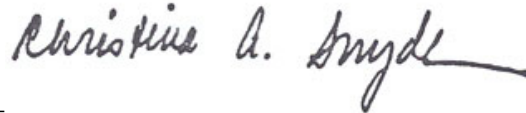
24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for  
25 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11  
26 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant, and

1 further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts  
2 due by Defendant under this Final Judgment or any other judgment, order, consent order,  
3 decree or settlement agreement entered in connection with this proceeding, is a debt for  
4 the violation by Defendant of the federal securities laws or any regulation or order issued  
5 under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C.  
6 §523(a)(19).

7 VIII.

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall  
9 retain jurisdiction of this matter for the purposes of enforcing the terms of this Judgment.

10 Dated: November 22, 2024

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13 HONORABLE CHRISTINA A. SNYDER  
14 UNITED STATES DISTRICT JUDGE  
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